

BRODY

THE BRODY GROUP

EX PARTE OR LATE FILED

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RECEIVED

JUL 9 1996

FBI

DOCKET FILE COPY ORIGINAL

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW. Room 222
Washington, DC 20554

Re: RESTRICTIONS ON OVER-THE-AIR RECEPTION DEVICES, CS DOCKET NO. 96-83;
AND PREEMPTION OF LOCAL ZONING REGULATION OF SATELLITE EARTH STATIONS,
IB DOCKET NO. 95-59

Dear Mr. Caton:

We write to request clarification regarding the possible effect on our business of the rules proposed in the above dockets. An original and 13 copies of this letter are enclosed for filing in the record. We understand that the proposed rules would invalidate "nongovernmental restrictions" that "impair" a viewer's ability to receive video programming over the air, through a wireless cable or similar system, or by direct broadcast satellite.

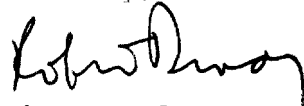
THE BRODY GROUP owns and operates multi-unit, residential apartment buildings. Consequently, we have entered into 1500 hundred leases with our residents. We are concerned that our leases might contain terms that our "nongovernmental restrictions" that "impair" viewing, but we do not know how the proposed rules would be applied. This uncertainty could very well create unnecessary disputes with our residents.

We would appreciate your guidance in determining which provisions of our lease contain terms that might be considered "nongovernmental restrictions" or "impairments" under the rules you propose in our circumstances.

Accordingly, we enclose a copy of one of our representative lease forms. Please read it and let us know which terms of the enclosed form would violate either of the proposed rules.

Thank you for your assistance.

Sincerely,



Robert Brody

Enclosures

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APARTMENT RESIDENCE LEASE AGREEMENT

THIS IS A LEASE AGREEMENT, signed on (month) _____ (day) _____, 19____, by _____, as the Owner, whose address for the giving of notice is 42101 Fountain Park Drive, North, Novi, Michigan 48375, and by the following Residents: _____

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L RCL

First Name _____ Last Name _____ Age _____

First Name _____ Last Name _____ Age _____

By signing this Lease, the Owner and the Residents agree that the relationship between them is fully and accurately defined by this Lease and the Rules and Regulations, and both the Owner and the Residents promise to perform all of their obligations under this Lease.

1. DEFINITIONS AND TERMS

(a) "Apartment":

(1) Apartment No. _____

(2) Address _____

(3) Carport/Garage No(s). _____

(b) "Beginning Date":

(Month) _____ (day) _____, 19____

(c) "Ending Date":

(Month) _____ (day) _____, 19____

(d) Security Deposit: \$ _____

(e) Rent:

(1) Partial First Month Rent of

\$ _____ for _____ days

(2) Base Monthly Rent: \$ _____

(3) Carport/Garage Charges: \$ _____

(4) Other _____

_____ \$ _____

Total Monthly Rent: \$ _____

(f) The monthly rent includes/does not include charges for the following utilities:

	Included (Owner Paid)	Not Included (Resident Paid)
(1) Water	<input type="checkbox"/>	<input type="checkbox"/>
(2) Gas or Other Heating	<input type="checkbox"/>	<input type="checkbox"/>
(3) Electricity (including air conditioning)	<input type="checkbox"/>	<input type="checkbox"/>

(g) The Other Occupants of the Apartment are:

Name _____ Age _____ Relationship to Residents _____

Name _____ Age _____ Relationship to Residents _____

Name _____ Age _____ Relationship to Residents _____

(g) Residents Automobiles:

Make _____ Model _____ Year _____ Color _____ License Number _____

Make _____ Model _____ Year _____ Color _____ License Number _____

The Residents agree to notify the Owner of any changes to the Residents' Automobiles and/or license numbers.

AGREEMENT

2. By this Lease Agreement, the Owner is renting the Apartment to the Residents. In exchange, the Residents agree to pay the Rent promptly on or before the first day of each month, and to pay all other charges payable under this Lease when they are due. Further, both the Owner and the Residents agree to observe all terms and conditions of this Lease. For so long as the Residents observe all of the terms of this Lease, the Owner agrees that the Residents may use the Apartment without interruption by the Owner, except where this Lease says otherwise.

TERM

3. This Lease will begin on the Beginning Date and will continue until the Ending Date. If neither the Owner nor the Residents notify the other party at least thirty (30) days before the Ending Date that this Lease will terminate, then this Lease will continue beyond the Ending Date on a month to month basis until either the Residents or the Owner gives at least thirty (30) days prior written notice to the other party that this Lease will terminate. In the event Residents give Owner a thirty (30) day written notice after the first day of the month, Residents agree to pay and be responsible for rent due on the first day of the next month, regardless of the number of days Residents occupy the Apartment in the next month. The rent or other charges payable by the Residents or any of the other terms and conditions of this Lease may be changed by giving at least thirty (30) days prior written notice to the Residents of the change.

NOTE: If you want to vacate the Apartment on or after the Ending Date, you must notify the Owner at least 30 days before the date on which you want to terminate.

While this Lease is supposed to begin on the Beginning Date, the Owner does not promise that the Apartment will be ready and available for the Residents on the Beginning Date. If the Residents are not able to enter and occupy the Apartment on the Beginning Date because the Apartment is not ready for occupancy, because a previous resident has not yet moved out, or because of any cause beyond the Owner's control, then this Lease will not begin until the Owner determines the Apartment is ready and available for occupancy. No Rent or other charges will be due from the Residents until this later Beginning Date, and the Owner will not be liable for any damages to the Residents because of this later Beginning Date.

RENT

4. The Residents promise and agree to pay the Rent stated in Paragraph 1(e) in advance on or before the first day of each month without the Owner notifying the Residents of any rent due. The rents are payable at the address of the office listed on the first page of this Lease. However, the Owner may designate other places where rents can or must be paid by written notice to the Residents, and the Residents will then pay the rents at the places stated in the notice. The rents are payable by cashier's check, certified check, money order or personal check. The Owner may, however, refuse a personal check or certified check and require the rent to be paid by cashier's check or money order. In no event will cash be accepted. The Residents also promise and agree to pay all other charges imposed by this Lease within ten (10) days of the Owner's bill to the Residents.

LATE CHARGES

5. If the Owner has not received the

Rent by the fifth (5th) day of the month, then the Residents will pay a late charge of \$20.00, and if the Owner has not received the Rent by the fifteenth (15th) day of the month, then the Residents will pay an additional late charge of \$25.00. Late charges will be added to the Residents' account and will be paid by the Residents regardless of whether the Owner bills the late charges to the Residents. The Owner's failure to bill the late charges will not waive the Owner's right to collect the late charges, and the Owner's right to collect the late charges will be in addition to its other rights and remedies under this Lease. Any check which is returned to the Owner because the Residents' bank does not honor the check for any reason will be treated as if no payment had been made at all, and, in addition, the Residents will pay a \$25.00 returned check fee.

RENT INCREASES

6. During the initial term of the Lease, the Base Monthly Rent may be increased by the Owner to cover additional costs incurred by the Owner in operating the Apartment Community because of increases in ad valorem property taxes, charges for electricity, heating, fuel or sanitary sewer services and water consumed at the Apartment Community, or increases in premiums paid by the Owner for liability, fire or workmen's compensation insurance. Any additional costs which result in increases in Rent will be allocated equitably among all the residents in the Apartment Community. Any Rent adjustment will not take effect until at least thirty (30) days after the Owner has given written notice to the Residents. When this Lease becomes a month-to-month Lease after the end of the initial Term, the rental rates and other charges may be changed by the Owner from time-to-time. Residents will be notified of any changes at least thirty (30) days in advance of when the change is to be effective.

CHARACTER OF

THE OCCUPANCY

7. The Residents agree that the Apartment is to be used exclusively as a private residence for the Residents and the Other Occupants listed in Paragraph 1(g) of this Lease, and for no other persons or purposes. A person will be considered to be an Other Occupant who is required to be registered and approved by the Owner if he or she resides at the Apartment Community for more than 21 days in any 12 month period. No more than two persons per bedroom may occupy the Apartment. Other Occupants may not use or occupy the Apartment if all Residents are absent for more than 30 days. Guests and visitors may not use or occupy the Apartment unless a Resident is present or the Resident obtain the written consent of the Owner. The residents agree that they will not operate any business enterprise from the Apartment, conduct "garage sales," or make any other unusual use of the Apartment which might violate the rights of the Owner or the other residents.

USE OF

THE APARTMENT

8. The Residents understand and agree that they will not use the Apartment for any purpose in violation of the laws, ordinances or regulations or any governmental authority. In addition, the Residents will not do or permit any act at the Apartment Community which may subject the Owner to any liability or responsibility or increase the likelihood of fire or injury. The Residents agree to furnish the Apartment and (unless provided by the Owner) to install draperies or other window treatments with white linings or surfaces on the exterior so that the Apartment Community will have a uniform and consistent appearance. Residents agree that they will not use the balcony or patio to barbecue or cook. Any fire or other

damage caused by Residents on the balcony or patio areas shall solely be the responsibility of the Residents and not the Owner. The Residents also agree to keep the Apartment in a clean and orderly condition, and not to do anything that might be considered dangerous, might be a health hazard or might violate any health or police regulations. The Residents also agree that they will not engage in any activity or do any act which might cause the Apartment to diminish in value, and that they will not misuse or neglect the Apartment or any of the Owner's property or appliances in the Apartment. The Residents understand and agree that they will be responsible for the conduct and actions of all Other Occupants of the Apartment and all guests and visitors to the Apartment, and the Residents will be responsible to see that those persons fully comply with all of the obligations of the Paragraph and with all of the other obligations in this Lease.

RESPONSIBILITIES TO

OTHER RESIDENTS 9. The Residents understand that they are living in a multiple residence apartment community and that the mutual cooperation of all residents with each other and with the Owner is essential to make the Apartment Community a pleasant residence for everyone. Because of this, the Residents agree to act in an orderly fashion and not to do anything which might be a disturbance, nuisance or an eyesore to the other residents and to cause all Other Occupants of the Apartment, and all guests and visitors to the Apartment to conduct themselves in the same manner.

MOVE-IN CHECKLIST 10. The Residents agree that the Owner has made no representations or warranties as to the condition or the state of repairs of the Apartment or the Common Areas prior to the signing of this Lease. The Owner is not obligated to make any features of or improvements to the Apartment identical to any other apartment shown as an inducement to enter into this Lease. On or before the Beginning Date, the Owner will furnish two (2) copies of an Inventory Checklist to the Residents. The Residents must review the Inventory Checklist, and note on the checklist the condition of the Apartment and all of the Owner's property in the Apartment, and return the checklist to the Owner. If the Residents believe that the Apartment is in need of repairs which are the Owner's responsibility, the Residents must note those items on the Inventory Checklist and return one copy of the completed Inventory Checklist to the Owner. **FAILURE OF THE RESIDENTS TO COMPLETE THE INVENTORY CHECKLIST AND TO RETURN THE CHECKLIST TO THE OWNER WITHIN SEVEN (7) DAYS OF THE BEGINNING DATE WILL BE DEEMED AN AGREEMENT BY THE RESIDENTS THAT THE APARTMENT AND THE OWNER'S PROPERTY IN THE APARTMENT ARE IN GOOD, CLEAN, UNDAMAGED AND SERVICEABLE CONDITION AT THE BEGINNING DATE.** If the Residents believe that the Apartment is in need of repairs which are the Owner's responsibility, the Residents should deliver a written list of those items to the Owner within seven (7) days, together with the completed Inventory Checklist.

CARE OF THE APARTMENT

11. The Residents understand and agree that they have been entrusted with valuable appliances and property. The Residents agree that they will not misuse or mistreat the Apartment or any of the appliances and other property in the Apartments, and that they will treat the Apartment and all of the Owner's property in the Apartment and the Apartment Community with the respect and care that is due and

owing by a person who has been entrusted with the property of another. The Residents also agree that they will not permit any misuse or neglect of these appliances and property by any person, and that all malfunctions or damages will be promptly reported to the Owner. The Resident also agrees that the cleaning of the windows, both on the interior and exterior is their responsibility. The Owner shall provide carpeting in the Apartment and Residents shall be responsible for reasonable maintenance of the carpeting. For purposes of this Lease, reasonable maintenance shall include but not be limited to cleaning of the carpeting by a reputable cleaning firm at least once a year at the expense of the Residents.

ALTERATIONS

12. The Residents may not make any alterations, additions or improvements to the Apartment (including wallpaper) unless they first obtain the written consent of the Owner. All alterations, additions and improvements must be done in a good workmanlike manner using high quality materials, and must be done in such a fashion as to not disturb other Residents. The Residents will not allow or permit any mechanic's lien or other lien to be filed against the Apartment or any part of the Apartment Community as a result of any of the Resident's repairs, alterations or improvements. Residents are responsible for restoring walls to their original condition. Upon moving out, the Residents understand and agree that they are obligated to remove all alterations, decorations, additions and improvements made by them and to restore the Apartment as described in this Lease.

COMMON AREAS

13. The Apartment Community has been designed as a residential community, and it may contain certain Common Areas for the convenience and the mutual use and benefit of all residents in the community, such as parking lots, roads, hallways, swimming pools, recreation areas, decks, lounge areas, community centers, laundry facilities, tennis courts or other facilities. The Residents agree to use these Common Areas only for the uses for which they were intended, to obey all rules and regulations relating to the Common Areas, and to act with due respect for the rights of others who use and enjoy the Common Areas. The Residents agree to see that the Other Occupants of the Apartment, and all guests and visitors also observe the obligations of this Paragraph. The Residents understand that the Owner is under no obligation to provide any of the Common Areas described above, and the Owner may construct new Common Areas or close existing Common Areas as the Owner deems fit. The Residents also understand and agree that the Residents and the Other Occupants of the Apartment and all guests and visitors who may use the Common Areas do so at their own risk, and that the Owner is not responsible or liable for any loss or injury to any person because of any use of the Common Areas except for losses or injuries resulting from the Owner's negligent performance or failure to perform a duty imposed by law.

STORAGE

14. The Residents may store their personal possessions, belongings and furniture only in the Apartment or in any storage areas designated to the Residents' use by the Owner. The Residents understand and agree that this Lease does not give the Residents the right to use the roof above the Apartment to erect any antenna or for any other purpose. In no event may the Residents store any explosives, flammables or other dangerous items anywhere in the Apartment Community. If a storage area outside of the Apartment is designated for the Residents' use, the Residents will purchase and install a sturdy lock on the door and will periodically

examine the stored items. In no event may the Residents store any personal possessions, bicycles, belongings or furniture on the balcony of the Apartment, if any, or in the hallways or other Common Areas. Further, the Residents agree that they will not store any perishable, hazardous or unsightly items, or any items which would cause odors, in any of the storage areas. The Residents understand and agree that any use of the designated storage areas is at their own risk, that they should not store any valuables in the storage area, and that the Owner cannot give the Residents any assurance against theft or other damage.

PETS

15. The Residents will not keep a pet in the Apartment, overnight or otherwise, unless the Owner gives its prior written consent and Residents sign a separate pet agreement by the Owner. Permitting pets is in the Owner's sole discretion which may be changed or withdrawn at any time by the Owner. Possession of a pet, unless Owner approves a Pet Lease, shall be considered a breach of this Lease. Resident's decision to vacate the Apartment in lieu of removing the pet, in no way absolves the Residents of the liability of an early termination of this Lease or pet fee. The Owner may charge a fee for allowing a pet. If the Residents keep a pet in the Apartment without any such written consent and the Owner notifies the Residents to remove the pet, the Residents shall pay the Owner five (\$5.00) for each day that the pet remains in the Apartment in addition to any other rights or damages to which the Owner may be entitled. By signing, Residents acknowledge that they have read and understand this paragraph of the Lease.

Resident's signature: _____

Resident's signature: _____

PARKING AND

SNOW REMOVAL

16. The Residents agree that they will park automobiles only in their carports or garages, if any, and in the other areas specifically designated by the Owner as being available for parking purposes. The Owner may restrict the number of vehicles parked by the Residents in the Apartment Community or may charge a fee for parking extra vehicles. In no event will the Residents park in any designated fire lanes, garbage removal and pickup areas, or in any streets which are not generally available for parking. The Residents further agree that they will use the parking areas solely for the purpose of parking the Residents' automobiles. Automobiles not used on a regular basis, snowmobiles, trucks, commercial vehicles, recreational vehicles, motorcycles, and boats may not be stored or brought into the Apartment Community. Because of the problems connected with snow removal, maintenance and other cleaning of the parking areas and because of safety and aesthetic reasons, automobiles which do not appear to have been moved within any 72 hour period may be towed away by the Owner at the Residents' expense. In this event, the Owner will give prior notice to the Residents by placing a sticker on the automobile. Automobiles parked in any prohibited areas or which cause any obstruction to traffic may be towed away without notice and at the Residents' expense. The Residents should always notify the Apartment Manager in writing if they intend to leave any of the Residents automobiles in the parking lots for any extended period of time, as for vacations or because of illness, so that such automobiles will not be towed away.

RULES AND REGULATIONS

17. The Owner has established

rules and regulations relating to the use of the Apartment and the Common Areas in the Apartment Community, and the Owner reserves the right to establish other rules and regulations in the future as the Owner may consider necessary for the health, safety, or welfare of the Apartment Community, its employees, or tenants, the quiet enjoyment of the other tenants of the Apartment Community, or to maintain the physical condition and appearance of the Apartment Community to protect the value of the Apartment Community and to maintain its aesthetic quality and appearance. When signing this Lease, each Resident has also signed an acknowledgment that they received a copy of the general rules and regulations. The Residents agree to obey all of the rules and regulations that are in effect from time to time and to see that all Other Occupants of the Apartment, and all guests and visitors also observe the rules and regulations. A violation of any of the rules and regulations is a default by the Residents under this Lease, and will permit the Owner to pursue the remedies for default contained in this Lease. The Owner reserves the right to change the rules and regulations at any time to protect the physical health, safety, or peaceful enjoyment of residents and guests or as required by federal, state or local law, rule, or regulation. The Owner also reserves the right to make any other changes in the rules and regulations after the Ending Date as the Owner finds necessary. Changes in the rules and regulations will take effect no earlier than thirty (30) days after written notice to the Residents.

ASSIGNMENT

18. The Residents may not assign any part of their interest in this Lease, nor will they sublet the Apartment or allow anyone other than themselves and the Other Occupants of the Apartment to occupy the Apartment, unless they first obtain the written consent of the Owner which the Owner may withhold for any reason whatsoever. Unless the prior written consent of the Owner is obtained, any assignment or subletting of the Lease or the Apartment will be void and completely ineffective, and will be a default allowing the Owner to regain possession of the Apartment. Whether or not the Owner consents to any assignment, the Residents will not be released from any of their obligations under this Lease unless those obligations are waived in writing by the Owner. A consent by the Owner to an assignment or subletting does not include a consent to any further assignment or subletting.

UTILITIES

19. The Residents agree to promptly pay all bills for gas, electricity, cable television, and telephone service supplied to the Apartment from and after the Beginning Date which are indicated in Paragraph 1(1) to be paid by the Residents. The Owner has the right to temporarily discontinue or cut-off any of the utilities for any repairs deemed necessary by the Owner without responsibility or liability to the Residents. The Owner will not be responsible or liable to the Residents for any loss or damage resulting from the discontinuance in any utility services caused by any strike, fire, storm or other casualty or for any other reason and the Residents' obligation to pay Rent will continue despite any interruption in utility services, unless the interruption is caused by the Owner's negligent performance or failure to perform a duty imposed by law and the Owner is unable to restore service within a reasonable period of time. If the Residents turn off any utilities prior to vacating the apartment, Residents agree that they will be charged \$5.00 per day beginning on the shut off date and ending on the date of vacating possession. The Residents understand and agree that a portion of the heat and air conditioning supplied to the Apartment may be diverted to heat the

hallways and other Common Areas in the building in which the Apartment is located. The Residents will not be entitled to any reduction or repayment of their rent or other utility charges because of this diversion of heat or air conditioning.

OWNER'S DUTY

TO REPAIR

20. The Owner agrees to maintain the Apartment in reasonable repair during the term of this Lease so that the Apartment will be fit for the use for which it was intended, provided that the Residents promptly notify the Owner of any condition in the Apartment which is in need of repair. If any repairs are made necessary or become more costly because of the acts, misuse or neglect of the Residents, the Other Occupants of the Apartment or guests or visitors to the Apartment, or because of the failure of the Residents to notify the Owner of any condition in need of repair, then the Residents agree to pay the Owner for the cost of making the repairs.

ACCESS TO THE APARTMENT

21. The Residents expressly agree that the Owner, or persons designated by the Owner, will have access to the Apartment at all reasonable hours for the purpose of inspecting the Apartment, showing it to prospective purchasers or residents, or for the purpose of performing any maintenance or for making any repairs or alterations to the Apartment or the building in which the Apartment is located. After either the Owner or the Residents give notice that this Lease will terminate, the Owner may show the Apartment to prospective residents.

CONSTRUCTION ACTIVITIES

22. If the Apartment Community is under construction at the Beginning Date, the Residents understand that they may be permitted to move into the Apartment before the construction of the Apartment Community is finished. Also, the Residents understand that additional buildings or other facilities or improvements may be constructed during the Residents' occupancy of the Apartment, and that the Owner may develop additional property and add to the size of the Apartment Community. Therefore, the Residents understand that these conditions and activities may cause the types of inconveniences normally occurring during construction, such as incomplete or temporary facilities, dirt, dust, mud, noise and debris, and the Residents will accept these conditions without complaint and will not be entitled to any reduction of Rent because of these conditions.

RIGHT TO MORTGAGE

23. The Residents agree that this Lease is and will be subject and subordinate to all present and future mortgages affecting the Apartment Community, and that the rents and leases may have been or may be assigned by the Owner to its mortgage lender as security for the repayment of any mortgages affecting the Apartment Community.

SECURITY DEPOSIT 24. The Residents have given a Security Deposit to the Owner, which will be kept by the Owner as assurance that the Residents will perform all of their obligations under this Lease. If the Residents fail to pay the Rent or any other charges imposed by this Lease, or if the Residents fail to perform any of their other agreements or obligations under this lease, then the Owner, may, at its option, apply the Security Deposit against any damages suffered by the Owner. Residents agree that the Security Deposit shall not be used to offset the last month's rent. The Owner's right to recover possession

of the Apartment for non-payment of Rent or for any other reason will not be affected by the fact that the Owner holds the Security Deposit. The Security Deposit will be returned to the Residents when they have moved from the Apartment if the Owner does not claim damages or a failure to pay Rent or other charges. The Security Deposit will not draw interest during the time that it is held by the Owner, and the Owner will not be obligated to keep the Security Deposit as a separate fund, but may mix the Security Deposit with its own funds as provided by law.

You must notify your Landlord in writing within four (4) days after you move of a forwarding address where you can be reached and where you will receive mail; otherwise, your Landlord shall be relieved of sending you an itemized list of damages with penalties adherent to that failure.

TRANSFER OF

SECURITY DEPOSIT

25. If the Owner sells, assigns, or conveys its interest in the Lease, the Apartment Community or the Apartment, the Owner will have the right to also transfer the Security Deposit. When the Owner notifies the Residents of the transfer of the Security Deposit, the Owner will be relieved of all liability to the Residents with respect to the Security Deposit and the transferee will be deemed to have assumed the Owner's liability. The Residents agree that the Owner's mortgagee will not be responsible or liable for any security deposit unless the mortgagee actually receives the Security Deposit.

CONVERSION OF COMMUNITY

26. The Residents agree that the Owner may, at any time, convert the Apartment Community to a condominium or cooperative development. If the Apartment Community is converted and the Apartments are to be sold to the public, the Owner may elect to terminate this Lease by giving the Residents at least 120 days prior written notice.

NOTICE OF INJURIES 27. In the event that any of the Resident or Other Occupants of the Apartment or any guests and visitors suffer any damage or injury for which they believe that the Owner might be liable, the Residents must notify the Owner within five (5) days of the occurrence of the injury, or as soon after the injury as practicable. The Residents will also complete any reports or provide other information that the Owner reasonably requests. The failure to notify the Owner of any of these injuries or damage will be a breach of this Lease, and the Residents will be responsible to the Owner for any loss which the Owner might suffer arising out of the Residents' failure to notify the Owner, including the Owner's inability to determine the cause or responsibility for the injuries or damage.

LIABILITY OF RESIDENTS

28. The Residents will be responsible for the use of the Apartment and the Common Areas by the Other Occupants, and all guests and visitors to the Apartment, and will be liable to the Owner for any damage, loss or injury incurred by the Owner as a result of the use of the Apartment or the Common Areas by or the conduct or actions in the Apartment Community of the Residents, the Other Occupants and all guests and visitors to the Apartment. The Residents will

also be liable to the Owner if the Owner becomes liable to any other person because of the use of the Apartment or the Common Areas or the conduct or actions in the Apartment Community of any of the Residents, the Other Occupants or any guests or visitors to the Apartment.

LIABILITY OF OWNER 29. Except for the Owner's failure to perform or negligent performance of a duty imposed by law, the Owner will not be responsible or liable to the Residents, the Other Occupants or to any guest and visitors for any personal injury, loss or damage to property, or omissions of the Owner, other residents, guests, visitors or trespassers in the Apartment Community, or from any theft, vandalism, fire, flood, explosion, leaking water, pipes bursting, malfunction of electrical appliances, or use of washing machines and driers, or for any acts of God or for any other acts, causes or reasons not reasonably within the control of the Owner. Any employee of the Owner, if requested to do any extra service not a part of this lease (such as moving automobiles, handling furniture, or cleaning and repairing the Residents' property), is the Residents' agent whether or not payment is made for the service. The Residents agree to hold the Owner and other residents harmless from all liability in connection with these extra services.

INSURANCE AND DAMAGES

30. In order to help protect the Owner and the Residents against property loss or damage, and in order to help protect the Residents against any liability that they might incur to the Owner, the Residents are required and agree to obtain a policy of "Renters Insurance" from a reputable insurance company. The policy must be a "Homeowner's Contents—Broad Form (Type HO-4) Policy," insuring the Residents against loss or damage for the full replacement cost of all coverage, insuring against loss or damage suffered as the result of any liability that the Residents might incur to the Owner or other residents, and waiving any rights of subrogation which the insurer might have against the Owner.

DESTRUCTION AND CONDEMNATION

31. If the Apartment is damaged by fire, storm, or other casualty so that the Residents are unable to continue living in the Apartment, or if any part of the Apartment (other than a carport, garage or other accessory property) is taken by any governmental authority, then either the Owner or the Residents may declare this Lease to be at an end as of the last day of the month, and the Residents shall immediately move from the Apartment. If the damage can be repaired within a reasonable time, and if the Residents can still use the Apartment without substantial inconvenience, the Owner shall repair the Apartment as soon as is reasonably practicable, and this Lease shall continue in full force and effect. Any taking of or damage to any of the parking areas or other Common Areas will not release the Residents from any of their obligations under this Lease. All damages for any governmental taking will belong solely to the Owner.

DEFAULT IN PAYMENT OF RENT OR OTHER CHARGES

32. The Residents expressly understand and agree that a failure to promptly pay the Rent or any other charges imposed by this Lease is a default in the Residents' obligations. In such event, the Owner will have the right to reenter and regain possession of the Apartment and, upon giving such notice as may be required by law, the Owner will have the right to bring proceedings to evict the Residents and

to recover possession of the Apartment. Acceptance of late payments by the Owner will not impair any of the Owner's remedies as set forth in this Lease or as allowed by law.

OTHER DEFAULT

33. If the Residents fail to perform any of their promises or obligations under this Lease or the Rules and Regulations, then the Owner will have the right to declare this Lease terminated, and upon giving such notice as may be required by law, the Owner will have the right to evict the Residents and to recover possession of the Apartment. The Owner also will have all of the rights provided by this Paragraph if the Residents have been late in the payment of three (3) or more Rent payments or other charges within any twelve (12) month period for which the Owner has served a Notice to Quit and the Residents failed to pay the Rent or other charges within the time period stated in the Notice to Quit. If the Residents willfully or negligently cause a serious and continuing health hazard or cause extensive and continuing physical injury to the premises, or if any of the Residents or any Other Occupant of the Apartment, or any guest or visitor to the Apartment unlawfully manufactures, delivers, possesses with the intent to deliver or otherwise possesses a controlled substance in the Apartment Community, the Owner has the right to declare this Lease immediately terminated and, after such notice as may be required by law, to evict the Residents and recover possession of the Apartment.

OWNER'S RIGHTS

34. Upon the termination of this Lease by the Owner because of a default by the Residents, or upon abandonment of the Apartment by the Residents (abandonment will be deemed to have occurred, without limiting other forms of abandonment, if the Residents fail to occupy the Apartment for five (5) consecutive days while all or any portion of the Rent is unpaid), or upon re-entry and recovery of the Apartment by the Owner, the Residents' liability for Rent due, utilities, and any other damages caused by the Residents will survive the termination of the Lease, and the Residents will continue to be liable for such Rent and damages. In addition, the Owner may declare that all Rents and other charges remaining to be paid during the term of the Lease are then due and payable in full or the Owner may seek to collect the Rent and other charges as they fall due, despite the recovery of the Apartment by the Owner. The Owner's claims for any losses or damages will survive the termination of the Lease or the recovery of the Apartment by the Owner, and the Residents will remain liable for all such losses and damages. In addition, Residents shall be liable for a premature termination fee equal to equal to one-half (1/2) of one (1) month's rent. If the Owner accelerates the remaining rent and other charges to be paid during the term of the Lease, the Residents may not be liable for the total accelerated amount since the Owner will attempt to minimize damages and either party may have a court determine the actual amount owed, if any. If the Owner chooses to collect the Rent and other charges as they fall due, The Owner will seek new Residents for the Apartment and will credit to the Residents' account any income resulting from the releasing of the Apartment, however, the Residents will not be entitled to any excess income received by the owner over amounts owing from the Residents to the Owner. If there are other Apartments vacant in the Apartment Community, pursuant to the Fair Housing Act, Owner shall have the right to rent other available Apartments prior to the rental of Residents' Apartment and the Owner's action in so doing shall not be deemed a failure to mitigate damages. In any of these events, the Owner will also be entitled to a reasonable fee for its cost and expenses incurred in

releasing the Apartment and all costs, expenses and actual and reasonable attorney fees which may be incurred in any action or proceeding against the Residents. Residents agree that Owner may, at its sole discretion, initiate proceedings to recover any monies claimed hereunder in the 28th Judicial District Court, located in Southgate, Michigan, and Residents consent to venue in such court.

ENFORCEMENT

CHARGES

35. If the Owner commences an eviction proceeding for nonpayment of rent or other charges, then the Residents will reimburse the Owner \$150.00 for its court costs, attorneys fees and other expenses associated with the eviction action as additional late charges which are hereby agreed to be additional rent, as well as any fees and other expenses involved in collecting or enforcing any judgement for damages or possession. The Owner does not have to accept any tender of rent or other charges unless it includes all of these costs, fees and expenses.

RESIDENTS' DUTY

ON MOVING OUT

36. Upon moving out, the Residents will clean the walls, floors and appliances, remove all their possessions and return the Apartment to the Owner in the condition and in as good condition as it was when the Residents moved in, except for reasonable wear and tear. If the Residents have made any alterations or additions to the Apartment, the residents will remove the alterations and restore the Apartment to the condition it was in on the Beginning Date (reasonable wear and tear excepted) whether or not the Owner has consented to the making of the alterations, additions or improvements unless the Owner requires such items to be left by the Residents. The Residents will return all of their keys and any ID or gate passes to the Owner on the day that they move from the Apartment. The Owner may charge the Residents Ten Dollars (\$10.00) for each such item that the Residents fail to return. The Residents will be charged for any litter left at the time of moving or damage done to the Apartment which necessitates repairs.

ABANDONED

PROPERTY

37. If the Residents leave any possessions or property at the Apartment Community after moving from the Apartment, the property will be deemed abandoned. The Owner assumes no responsibility for abandoned property, and the Owner may send the abandoned property to a storage company and charge the Residents for the storage costs, or may itself store the abandoned property and charge a reasonable storage fee to the Residents or may sell or dispose of the abandoned property in any manner and at any time not prohibited by law.

HOLDING OVER

38. If the Residents' tenancy continues after the expiration of this Lease with the Owner's consent, then the Tenant shall remain in possession as a month-to-month tenant subject to the terms and conditions of this Lease. If the Residents remain in possession of the Apartment after the termination of the Lease or the termination of the tenancy without the consent of the Owner, then the Owner may, at its option, treat the Residents as trespassers. The acceptance of any monies by the Owner after the termination date will not extend or renew the term of this Lease and will not waive any other rights of the Owner.

INFORMATION DISCLOSURES

39. The Residents understand that

various credit institutions, mortgage lenders, governmental agencies, landlords and other persons may contact the Owner from time to time to request information regarding this Lease transaction between the Residents and the Owner, and the Residents consent and agree that the Owner may freely disclose any information contained in the Owner's files and records, including the application for tenancy and the opinions of Owner's management, employees and others. **THE OWNERS HEREBY RELEASE THE OWNER FROM ALL LIABILITY WHATSOEVER RELATED TO THE RELEASE OF SUCH INFORMATION, EVEN IF THE INFORMATION RELEASED IS UNFAVORABLE OR DAMAGING TO THE RESIDENTS.**

NOTICES

40. Unless this Lease or any statute calls for a specific method for notices to be delivered, any notice required to be given by this Lease will be considered to be properly delivered if it is sent by first class mail or personally delivered to the party being notified. Notices to the Owner will be sent or delivered to the address shown on the first page of this Lease, unless the Residents are notified of a different address. Notices to the Residents will be sent or delivered to the Apartment unless the Owner is notified of a different address. In addition, the Owner may deliver any notice to the Residents by attaching the notice to any doors or door frames of the Apartment unless the Residents have moved out of the Apartment and notified the Owner of their new address.

APPLICATION

FOR TENANCY

41. Prior to the signing of this Lease by the Residents and the Owner, the Residents signed a Rental Application, in which the Residents gave several items of factual data, and made other representations to the Owner. The Residents understand that the Owner has relied on those facts and representations, and that if any of those facts or representations are false or incorrect, the Residents will be in breach of this Lease and the Owner will have the right to immediately terminate the tenancy and recover possession of the Apartment without the necessity to prove actual or consequential damages.

MODIFICATION

42. Both the Owner and the Residents understand that the whole agreement between them is expressed in this Lease and the Rules and Regulations and that there are no verbal understandings and agreements. Except where this Lease says that a change may be made by the Owner without the consent of the Resident, this Lease may be changed only by a written agreement signed by both the Residents and the Owner, and any verbal understandings or agreements will not be binding on either the Residents or the Owner. However, the Owner may change this Lease without the consent of the Residents if the change is made after the Ending Date or if the change is required by federal, state or local law or regulations. The Owner will give written notice of the change to the Residents thirty (30) days or more before the change takes effect.

JOINT AND SEVERAL

LIABILITY

43. Each of the Residents, if there is more than one Resident, shall be fully liable for all Rents and other sums due, and the Owner may look to all or any one of the Resident for the full satisfaction of any obligations under this Lease, and a judgement against any Resident shall not be a bar to a judgement against any other Resident. A default by any one or more of the Residents is a breach of the Lease and may result in the termination of the tenancy of all of the Residents, even if

all of the Residents were not aware of the default. If any one or more of the Residents is aware of a default or of any circumstances that should be reported to the Owner, then it shall be conclusively presumed that all of the Residents possessed such knowledge or information.

**INTERPRETATION
OF LEASE**

44. It is the intention of the Owner that this Lease be written in a readable form without the use of technical language, except where it is unavoidable. The Residents are, however, encouraged to assure themselves that they understand everything in this Lease, and to seek assistance if they do not.

NOTICE: Michigan law establishes rights and obligations for parties to rental agreements. The Agreement is required to comply with the Truth in

Renting Act. If you have a question about the interpretation or legality of a provision of this Agreement, you may want to seek assistance from a lawyer or other qualified person.

**SEVERABILITY
AND CAPTIONS**

45. If any provision contained in this Lease is prohibited by statute or is declared unenforceable as a result of any judicial decision, then that provision will be null and void, and will not be considered a part of this Lease. If any provision in this Lease is invalidated or becomes void, the remainder of the Lease will not be affected and will remain in full force and effect. The captions and numbers have been inserted only as a matter of convenience, and are not a part of this Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have signed this Lease Agreement on the day, month and year stated at the beginning of this Lease Agreement.

Authorized Signature for Owner

Resident's Signature

Resident's Signature

ACKNOWLEDGEMENT OF RULES AND REGULATIONS AND COMMENCEMENT INVENTORY CHECKLIST

We acknowledge that we have received a copy of this Lease, the Rules and Regulations for the Apartment Community, a security deposit information letter and two (2) copies of the Commencement Inventory Checklist. We understand that it is our responsibility to return one (1) copy to the Owner.

Resident's Signature

Resident's Signature